

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF SOUTHEAST	)	
DAVIESS COUNTY WATER DISTRICT FOR	)	
COMMISSION APPROVAL PURSUANT TO KRS 807,	)	CASE NO.
KRS 5:001, AND KRS 278.020 FOR A CERTIFICATE	)	2017-00458
OF PUBLIC CONVENIENCE AND NECESSITY TO	)	
INSTALL AN ADVANCED METERING	)	
INFRASTRUCTURE (AMI) SYSTEM	)	

ORDER

On December 22, 2017, Southeast Daviess County Water District (“Southeast Daviess”) submitted an application for a Certificate of Public Convenience and Necessity (“CPCN”) to install an Advanced Metering Infrastructure (“AMI”) System. No person has sought intervention in this matter, and Southeast Daviess has not requested a hearing. The record for this case is complete, and the matter stands ready for decision.

Southeast Daviess, a water district organized under KRS Chapter 74, provides retail water service to approximately 7,246 customers in Daviess County, Kentucky.<sup>1</sup>

Southeast Daviess’s application for a CPCN proposes to install a Sensus FlexNet Water AMI System.<sup>2</sup> The proposal includes the installation of approximately 7,300 radio-transmitting devices to connect existing water meters to an AMI system and associated appurtenances.<sup>3</sup>

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<sup>1</sup> *Annual Report of Southeast Daviess County Water District to the Kentucky Public Service Commission for the Year Ended December 31, 2016*, at 27.8.

<sup>2</sup> Application at paragraph 7.

<sup>3</sup> *Id.*, Exhibit 3 at 1.

The total cost of the proposed project, including administrative, legal, engineering, construction, and contingencies, is approximately \$1,172,417.<sup>4</sup> This project is to be financed by using a portion of Southeast Daviess's unrestricted cash reserves.<sup>5</sup> The AMI system will be installed throughout Southeast Daviess's service territory in two sequential phases. Phase 1 involves the purchase of radio transmitting devices and the purchase and installation of two base station data collectors. Phase 2 of the proposed project consists of barcoding the radio transmitting devices and installation of these devices on existing water meters. Completion dates for Phase 1 and 2 are estimated to be August 30, 2018, and December 6, 2019, respectively. Southeast Daviess states that the proposed AMI project will achieve several operational efficiencies and personnel cost savings.

On January 24, 2018, an Informal Conference was held to clarify the projected operational efficiencies and personnel cost savings to be derived from the proposed AMI system. On February 2, 2018, Southeast Daviess filed a supplement to its application, documenting operational efficiencies, as well as specific personnel cost savings of approximately \$101,805.<sup>6</sup>

Having reviewed the record and being sufficiently advised, the Commission finds that:

1. The proposed construction will not result in wasteful duplication of existing facilities.

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<sup>4</sup> *Id.* at paragraph 20.

<sup>5</sup> *Id.*

<sup>6</sup> Response to Informal Conference, filed February 2, 2018.

2. The proposed construction does not conflict with any existing certificates or service of any other utility operating in the area.

3. Public convenience and necessity require the proposed construction, which will allow Southeast Daviess to continue providing reliable and adequate water services to its customers.

4. Southeast Daviess should be authorized to utilize \$1,172,417 of its unrestricted cash reserves to fund the project.

IT IS THEREFORE ORDERED that:

1. Southeast Daviess is granted a CPCN for the proposed project as submitted.

2. Southeast Daviess is authorized to use funds from their unrestricted cash reserves in the amount of \$1,172,417.

3. These funds shall be used only for the purposes specified in Southeast Daviess's application.

4. Southeast Daviess shall obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

5. Southeast Daviess shall file with the Commission documentation of the total costs of this project, including the cost of construction and all other capitalized costs, (e.g. engineering, legal, administrative, etc.) within 60 days of the date that construction substantially completed. Construction costs shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for water utilities prescribed by the Commission.

6. Southeast Daviess shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

7. Southeast Daviess shall notify the commission in writing one week prior to the actual start of construction and at the 50 percent completion point.

8. Any documents filed in the future pursuant to ordering paragraphs 5, 6, and 7 shall reference this case number and shall be retained in the post case correspondence file.

9. The Executive Director is delegated authority to grant reasonable extensions of time for filing any documents required by this Order upon Southeast Daviess's showing of good cause for such extension.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

By the Commission

ENTERED  
FEB 27 2018  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
\_\_\_\_\_  
Executive Director

Case No. 2017-00458

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